

# ARTICLE 17 (3)

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## TEXT OF ARTICLE 17 (3)

The General Assembly shall consider and approve any financial and budgetary arrangements with specialized agencies referred to in Article 57 and shall examine the administrative budgets of such specialized agencies with a view to making recommendations to the agencies concerned.

## INTRODUCTORY NOTE

1. The structure of this study follows that of the original Repertory study of paragraph 3 of Article 17. The recommendations made by the General Assembly to the specialized agencies during the period under review with respect to financial and budgetary arrangements are discussed in the present study under the pertinent headings in section II D. A new section, II F, entitled "The powers of the General Assembly under Article 17 (3)" has been added. This section is closely related to section II E, since the Advisory Committee on Administrative and Budgetary Questions, on behalf of the General Assembly, continued to examine financial and budgetary arrangements with, as well as administrative budgets of, the specialized agencies. 1/
2. At the eleventh, twelfth and thirteenth sessions of the General Assembly, the Advisory Committee on Administrative and Budgetary Questions submitted reports 2/ on the administrative budgets of the specialized agencies and the administrative and budgetary co-ordination of these agencies with the United Nations. These reports were considered by the General Assembly in the manner described in the earlier Repertory study. 3/
3. The Advisory Committee also submitted reports 4/ on the co-ordination of the administration of technical assistance activities, pursuant to General Assembly resolution 722 (VIII).

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1/ See Repertory, vol. I, under Article 17 (3), para. 79.

2/ The following are the reports of the Advisory Committee to the General Assembly at its eleventh, twelfth and thirteenth sessions: G A (XI), Annexes, vol. II, a.i. 49, p. 2, A/3489; G A (XII), Annexes, a.i. 48, p. 45, A/3767; G A (XIII), Annexes, a.i. 50, p. 24, A/4032. The relevant reports of the Fifth Committee are the following: G A (XI), Annexes, vol. II, a.i. 49, p. 16, A/3547; G A (XII), Annexes, a.i. 48, p. 55, A/3791; G A (XIII), Annexes, a.i. 50, p. 37, A/4071.

3/ Repertory, vol. I, Article 17 (3), paras. 25 and 26.

4/ G A (XI), Annexes, vol. II, a.i. 48 and a.i. 49, A/3142, A/3166 (separate fascicles); G A (XII), Annexes, a.i. 48, A/3596, p. 25, A/3597 and p. 29, A/3598; G A (XIII), Annexes, a.i. 50, p. 7, A/3861.

**\*\* I. GENERAL SURVEY****II. ANALYTICAL SUMMARY OF PRACTICE**

- \*\* A.** Nature and scope of the financial and budgetary arrangements with the specialized agencies
- \*\* B.** The phrase "administrative budgets" of specialized agencies
- \*\* C.** Nature and scope of examination of administrative budgets
- D.** Financial and budgetary arrangements - analysis of recommendations made by the General Assembly to the specialized agencies

*1. Adoption of common financial and administrative regulations***\*\* a. COMMON FINANCIAL REGULATIONS****b. COMMON STAFF REGULATIONS AND SALARY SYSTEM**

4. Following consideration of a report 5/ submitted during the eleventh session of the General Assembly by its Salary Review Committee, the General Assembly adopted resolution 1095 (XI) setting forth certain amendments to the Staff Regulations of the United Nations related to salaries and allowances, including the establishment of a system of post adjustments to replace the previous system of salary differentials. The General Assembly believed it desirable that:

"... as far as practicable, there should be a common system relating to salaries, allowances and benefits of the United Nations and of the specialized agencies and that, in particular, staff serving the United Nations and the specialized agencies in the same centres should be governed, as a general rule, by similar standards of salary and related benefits".

It accordingly recommended to the specialized agencies the adoption of similar provisions with respect to their staffs.

**c. COMMON SERVICES**

5. In the earlier Repertory study of Article 17 (3), 6/ reference was made to reports received by the General Assembly, at its sixth, seventh and eighth sessions, from the Secretary-General and the Advisory Committee relating to progress towards the development of common services for use by the United Nations and the specialized agencies.

6. The Advisory Committee, in its successive annual reports to the General Assembly on the administrative budgets of the specialized agencies, indicated that it had promoted and encouraged efforts towards the achievement of common and co-ordinated services. In its fifth report, 7/ to the twelfth session of the General Assembly, the Committee requested the Secretary-General to prepare a study on common premises and common services at overseas offices.

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5/ A/3209 (mimeographed).

6/ Repertory, vol. I, under Article 17 (3), paras. 32-35.

7/ G A (XII), Suppl. No. 7 (A/3624), paras. 154 and 155.

7. Subsequently, in a report 8/ on this study, the Advisory Committee noted that "the possibility of establishing common administrative and general services depends largely on the prior achievement of common premises" and accordingly urged that continuing consideration be given to the question of common premises, having regard to all the relevant factors obtaining in each centre, so that the most advantageous arrangements might be made. 9/

*\*\* 2. Establishment of a joint audit procedure*

*\*\* 3. Development of a common form of budget*

*\*\* 4. Consideration of a consolidated budget*

*\*\* 5. Establishment of a common approach towards the financing of the budgets of the specialized agencies*

*\*\* 6. Establishment of a Joint Staff Pension Fund and a common system of social security for staff*

*7. Development of priorities with a view to the concentration of efforts and resources*

8. In the earlier Repertory study of Article 17 (3) 10/ reference was made to the practice of annual review, by the Economic and Social Council and by the Advisory Committee, of the economic and social programmes of the United Nations and the specialized agencies with a view towards concentration of efforts and resources.

9. The Advisory Committee, in its thirty-seventh report 11/ to the General Assembly at its eleventh session, on the administrative budgets of the specialized agencies for 1957, considered it necessary that there should be a reappraisal of the over-all situation in regard to the programmes of the United Nations and the specialized agencies, in the light of their growth and development over the previous five years. In the view of the Advisory Committee, such a reappraisal, which initially might be undertaken by the Economic and Social Council, either directly or through the agency of an ad hoc committee, should be aimed at determining the scope and trend of programmes during an ensuing period of five or six years; the review and appraisal of annual or biennial plans of work would be more effective if undertaken within the framework of programmes for a longer term.

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8/ G A (XIV), Suppl. No. 7 (A/4170), paras. 71-74.

9/ In August 1949 the members of the Joint Staff Pension Fund were the United Nations, the International Labour Organisation (the ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO), the World Health Organization (WHO), the World Meteorological Organization (WMO), the Inter-Governmental Maritime Consultative Organization (IMCO), the International Atomic Energy Agency (IAEA) and the Interim Commission for the International Trade Organization (ICITO). The last-named joined the Joint Staff Pension Fund in accordance with General Assembly resolutions 775 (VIII) and 874 (IX).

10/ Repertory, vol. I, under Article 17 (3), paras. 59-63.

11/ G A (XI), Annexes, vol. II, a.i. 49, p. 3, A/3489, paras. 5-7.

10. The General Assembly, in its resolution 1094 (XI) of 27 February 1957, requested the Economic and Social Council to undertake a comprehensive appraisal along the lines suggested by the Advisory Committee. In its resolution 694 D (XVI), the Council requested the specialized agencies to prepare material on the scope, trend and costs of regular programmes. These data served as the basis for the consolidated report entitled "Five-Year Perspective, 1960-1964", <sup>12/</sup> which was submitted to the Council by the Committee on Programme Appraisals established under E S C resolution 694 D (XXVI).

*8. Co-ordination of budget procedures in relation to technical assistance and other extra-budgetary programmes involving voluntary contributions*

11. In 1958 the problem of arriving at a standard formula for the allocation of administrative and operational service costs of technical assistance between the regular and the expanded programme budgets was considered by the Advisory Committee, in response to the Council's request in its resolution 633 (XXII), as authorized by the General Assembly in its resolution 1037 (XI).

12. A report of the Advisory Committee on this subject <sup>13/</sup> was taken into account by the Economic and Social Council when it established a provisional formula on a lump-sum basis applicable to the year 1959, in its resolution 702 (XXVI). The Advisory Committee was requested to keep the matter under review and to make appropriate recommendations to the Technical Assistance Committee.

\*\* 9. *Other recommendations*

\*\* E. Role of the Advisory Committee on Administrative and Budgetary Questions and of the Economic and Social Council

F. The powers of the General Assembly under Article 17 (3)

13. The question of the powers of the General Assembly with respect to administrative and budgetary co-ordination with the specialized agencies under Article 17, paragraph 3, of the Charter arose during the thirteenth session of the General Assembly. The discussion of the question was summarized by the Fifth Committee in its report <sup>14/</sup> as follows:

"3. It was also suggested that a broader interpretation might properly be given, in future, to the function of the General Assembly in the spheres of administrative and budgetary co-ordination. The powers with which the General Assembly was invested under Article 17, paragraph 3, of the Charter of the United Nations had hitherto been exercised by delegation, by the Fifth Committee and the Advisory Committee. It was, however, desirable, in the opinion of several delegations, that the Assembly and those Committees should undertake studies of a much wider scope in that sphere. The series of inquiries which the Advisory Committee had been invited to make into the working of the Expanded Programme of Technical Assistance formed a useful precedent, although the nature of those inquiries had been largely confined to a single aspect, namely, the degree of integration of technical assistance programmes with regular programmes.

<sup>12/</sup> E/3347/Rev.1; United Nations Publication, Sales No.: 60.IV.14.

<sup>13/</sup> A/3832 (mimeographed).

<sup>14/</sup> G A (XIII), Annexes, a.i. 50, p. 37, A/4071, paras. 3-5.

"4. Reference was made in that context to the proposal submitted to the 1957 World Health Assembly under which the World Health Organization would invite the Advisory Committee to study every two or three years the administrative aspects of its programme and budget estimates. Under such a plan, the Advisory Committee would submit a report to the deliberative organ of WHO (or other specialized agency) for consideration at the time of budget examination. The Committee would not be authorized to pass judgement on the intrinsic merit of programmes, and the agency would be free either to accept or to reject the findings of the Committee.

"5. The World Health Organization had deferred its decision in the matter, so that the General Assembly of the United Nations could state its views. It was, therefore, to be hoped that the Assembly's formal responsibility in regard to the examination of the agency budgets would not be overlooked."

14. By resolution 1336 (XIII) the General Assembly invited the attention of the specialized agencies to comments and observations in the Advisory Committee's report on the budgets of the agencies, and to the views expressed at meetings of the Fifth Committee during the thirteenth session of the General Assembly.